GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:96
ANSWERED ON:27.02.2001
OUTLAY FOR FERTILIZERS
DILEEP SANGHANI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the total outlay earmarked for fertilizers for the Ninth-Five-year Plan;

(b) the total outlay for setting up of new/expansion of urea projects of PSUs/ Cooperative Societies;

(c) the details of amount utilised by the Department of Fertilizers, till date;

(d) whether there was low utilisation of the amount for the purpose;

(e) if so, the reasons therefor;

(f) whether the major new/expansion urea projects of PUSs/Cooperative Societies have been cleared; and
(g) if so, whether the entire outlay would be fully utilised thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE)

(a) to (g): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No.96 to be answered on 27.2.2001 regarding outlay for fertilizers

(a) to (c): The approved outlay for the 9th Five Year Plan (1997-2002), for the Department of Fertilizers, is Rs. 11013 crore. Against this, total expenditure of Rs. 1324.38 crore, Rs.801.30 crore, Rs.604.25 crore and Rs.444.50crore was incurred during the years 1997-98, 1998-99, 1999-2000 and 2000-2001 (up to December 2000), respectively. The new/substantial expansion urea projects of PSUs /Co-operative societies account for a total outlay of Rs.7566.25 crore during the ninth plan

(d)to (g): There was low utilisation of plan outlay for the 9th Plan so far mainly because of non implementation of the following major new/expansion urea projects of PSUs/Co-operative Societies, which account for a total outlay of Rs 4825 crore:-
i) Expansion of Hazira plant of KRIBHCO in Gujarat.
ii) A new urea plant to be set up by KRIBHCO at the existing site of FCI`s Gorakhpur Plant in Uttar Pradesh.
iii) Expansion of Thal Plant of RCF in Maharashtra.
iv) A grassroots urea plant to be set up by IFFCO at Nellore in Andhra Pradesh.

In April,1999, Government had given `in principle` approval to these projects, subject to investment appraisal of these projects by the Public Investment Board (PIB).Investment appraisal of all these four urea projects was undertaken by the PIB in July 1999.In June 2000, a proposal for taking a final investment decision on these projects was considered and deferred by the Government. This proposal was formulated taking into account the observations of the PIB regarding the viability of the projects, desirability of encouraging use of liquefied natural gas as feedstock to reduce the incidence of subsidy and the need to stagger implementation of the proposed projects due to limited demand supply gap forecasts. As these projects have not been taken up for implementation till date, the total outlay for this purpose is not likely to be fully utilised.